

The 1st Conference of “Refugees=Partners” Project



Economic Inclusion to Mitigate the Refugee Crisis

FINAL STATEMENT

The **"Refugees = Partners"** project held its first conference titled "Economic Inclusion to Mitigate the Refugee Crisis" on Friday, 2 August 2019, at Le Bristol Hotel, Beirut. The conference presented key takeaways based on research findings and dialogue between participants, they are:

The outbreak of the Syrian conflict has adversely affected Lebanon in a multiplicity of ways. The closure of trade routes between Syria and Lebanon, regional destabilization, and deterioration in security has led to a sizeable pressure on the Lebanese economy that has intensified the political polarization and gridlock. The conflict also initiated the plight of refugees such that Syrian refugees accounted for approximately 25 percent of the Lebanese population as of 2014. The steady influx of Syrian refugees has reportedly put a strain on an already frail infrastructure, added more pressure on public services, and exacerbated the labor market in the low-skilled informal labor sector, aggravating social tensions with local host communities.

The lack of inclusive and efficient governance of the refugee crisis goes hand-in-hand with the hostile narrative towards refugees. Refugees are increasingly used as scapegoats, in both public and local discourse, for the economic, social, security and environmental failures in the country. Additionally, in the absence of a comprehensive policy on Syrian refugee presence in Lebanon, the legal status of refugees has become “precarious.” The lack of policy framework to govern relations with Syrian refugees has led to increasing insecurity which has consequently reduced the likelihood of Syrian refugees’ active participation in the development of the Lebanese economy. To mitigate the impact of the crisis and the influx of refugees, substantial support from donors and humanitarian organizations has been allocated to support the state, refugees, and local host communities. However, there is a need to implement programs that move away from humanitarian assistance to sustaining activities such as employment and livelihoods interventions.

The conference aims to develop a rights-based discourse for an inclusive public good for all. The participants concluded that the impact of the refugee crisis could be mitigated through alternative evidence-based policies and more efficient institutions. These policies need to adopt a human-centered approach that respects human rights and invests in knowledge production and dissemination, objectively addressing the current crisis’ challenges and opportunities.

There is a dire need for access to well-established and transparent research and information to counter the polarizing discourse which relies on misleading, selective, and incorrect information. As the lack of comprehensive surveys and data is a major constraint for public, private, and civil actors in designing their policies and interventions, access to information will also help facilitate the search for feasible and durable solutions. This conference presented research findings countering the conventional opinion about the local economic situation, such as unemployment rate among Lebanese.

The Lebanese economy was characterized by structural challenges prior to the refugee crisis. Indeed, lack of transparency and good governance, hegemony of crony capitalism and rent economy, the weakening of labor-intensive sectors (i.e. agriculture and manufacturing), the disparity of social services like public health and education, and strained and crumbling infrastructure such as water and sanitation, municipal services, electricity and transportation, and the increasing public deficit and debt are some of the hindrances that have plagued the economy before the influx of Syrian refugees to Lebanon.

Differentiating the impact of the Syrian crisis from refugee crisis on Lebanon economy; as they have been intertwined, thus, creating a cycle of blame that inculpates refugees for the negative impact of the conflict in Syria, which includes closing the borders between the countries, a reduction of the demand from Syria, and surging of uncertainty in the region.

Refugees are economic actors. The refugee crisis creates a pressure on the infrastructure, electricity, public services, and environment. At the same time, refugees expand the demand in the economy and work force and attract substantial humanitarian assistance. Furthermore, they can expand economic production, demand, and opportunities with an inclusive policy framework that enables Lebanese and refugees alike. Refugees who enter the workforce as workers and entrepreneurs can not only improve their quality of life but also increase demand and contribute toward public finance. The more engaged they are, the more Lebanon's economy will witness an increase in growth and prosperity while reducing the crisis' burden.

An Inclusive Development Strategy that engages Lebanese and refugees can counter development disparities, as most refugees are located in marginalized regions. Refugees, therefore, can take an active role in reviving economic activities in these regions especially if humanitarian aid is replaced by development investment.

The inclusive strategy is based on promulgating governance reform as the answer for the structural challenges for the Lebanese economy. This reform includes enhancing the participation, efficiency, and accountability of formal institutions to enhance stability and prosperity. It also aims at **strengthening municipality governance and capacity** and engaging refugees in service of the municipality while guaranteeing their basic rights. Part of the reform proposes changing the legal framework to facilitate refugee accessibility to residency and work permits, basic services, free mobility, human protection, and decent work conditions. This reform will be tailored to the refugee's status. This strategy has the makings of expanding the GDP and job opportunities in a complementary approach that ensures decent and productive work. In addition, it increases the public budget revenue and reduces the burden on balance of payment.

The economic inclusion of refugees contributes to the promotion of equality, justice and the culture of production while reducing opportunities for economies of violence and social tensions. The economic inclusion of refugees, therefore, contributes to the sustainability and stability necessary for economic prosperity. The conference reiterated the importance of supporting linking economic projects across regions and classes, which enhances social capital, such as integrated food security projects that engage farmers, traders, and consumers and guarantee more solidarity. Moreover, alleviating poverty and inequality should be addressed in the informality of the economy as it is associated with lack of protection and lower wages that harm employees especially vulnerable groups like refugees and women.

The empowerment and engagement of Lebanese and refugee women in decent economic conditions is a crucial pillar in the enhancement of productivity and reduction of inequalities. The conference reported the substantial gaps between men and women in terms of work conditions and economic engagement.

The inclusion strategy ensures a broader human capital for the Lebanese economy and social solidarity with a gradual improvement in governance. Furthermore, with an aging society, the Lebanese demographic structure can be complemented by that of the Syrian refugees', which is largely young. The inclusion strategy includes **enabling and securing humanitarian and social protection for all** to ensure their effective participation in the economy and society. As the conference reported the damages on human capital and economy brought on by forms of labor abuse documented among Lebanese and refugees' children, an American University of Beirut (AUB) report showcased several cases of violation of children at work, which included exposure to injury, exploitation, and difficult conditions. **An immediate intervention needs to put a halt to the child labor and create alternative opportunities for impoverished families.**

The inclusive strategy can expand labor-intensive productive sectors to ensure economic diversification and employment opportunities. This is especially true for agriculture, construction, and manufacturing sectors where refugees were more likely hired with minimal competition from the Lebanese labor force. In addition, **refugee entrepreneurs can be complementary to Lebanese businesses in urban areas**, and Syrian businesses have the opportunity to enrich spatial practices in the city; they can infuse local economic development in cities and towns. The conference introduced new evidence on unemployment in Lebanon, the results showing that unemployment rate among Lebanese did not increase between 2009 and 2016 and the Lebanese economy created substantial job opportunities during the refugee crisis. This counters the common narrative that Lebanese unemployment surged due to the refugee crisis. Furthermore, the competition between Lebanese and refugees in the labor market is minimal as refugees are working in low skilled labor sectors, which engages a small proportion of Lebanese. The conference maintains the importance of **ensuring decent work and social protection for Lebanese and refugee labor** to increase productivity and assure better living conditions for all.

The inclusion strategy can promote a public services system based on needs and through improving the governance and use of humanitarian funds. The conference reported a general lack in emphasizing the provision of public services in Lebanon before the refugee crisis. It showed as well that education outcomes of Lebanese and refugee children in public schools is governed more by vulnerability and poor-quality education rather than by legal status. The

proposed strategy needs to approach the public educational system as one rather than two parallel and segregated systems, in addition to acknowledging the existing limitations in the educational system and incorporating solutions as part of the whole sector development. Moreover, the conference showed that housing approach lacked sustainability and there is an emergent need for enhancing the governance of new infrastructure initiatives including the improvement of resource management to benefit impoverished or rural areas. The integrative solutions are more sustainable for public services and an area-based approach should be adopted.

The proposed strategy is an opportunity to build an inclusive benefit from potential reconstruction in Syria that integrates the productive private sector and civil society instead of leaving the reconstruction in the hands of crony capitalists in Lebanon and Syria. Engaging refugees in economic opportunities is an investment in socioeconomic relations and solidarity between post-conflict Syria and Lebanese society and institutions. The marginalized areas of Lebanon will reap the biggest benefits from these relations.

These options for development for all contradict the interests of current subjugating actors and crony capitalists, which highlights the importance of the role of civil society in influencing policies and widening the public dialogue.

Upgrading UN agencies' role to ensure human protection and agency of refugees is a vital step for the proposed strategy. An active initiative should enhance the participation and coordination of key actors including government, academic, civil society, international community, and refugees in policy-making vis-a-vis refugees' pressing issues.

Countering the polarizing and discriminating discourse against refugees should be conducted through evidence-based knowledge and advocacy against discriminatory de facto policies and procedures. Advocates must work on guaranteeing fair conditions for all residents in terms of legal, economic, and social status. A priority would be eliminating evictions, deportation, curfews, camps destruction, mobility restrictions, and arbitrary expulsion of employees.

Accessing information and producing independent research is a cornerstone for constructive public dialogue in finding alternatives to counter the burden of the refugee crisis. This translates into creating an effective national dialogue based on research and evidence-based knowledge between government officials, policy makers, experts, academics, civil society organizations (CSO's), as well as national and international non-governmental organizations.

Organizing and forming **an independent committee to develop an integrated policy framework** that both examines the positive and negative impacts of Syrian refugees on the Lebanese economy, and developing an inclusive development strategy in a participatory approach.

An inclusive development strategy for Lebanon to mitigate the refugee’s crisis and addressing the structural economic challenges

